



Example
UNITED STATES MARINE CORPS
MARINE CORPS LOGISTICS BASE
BARSTOW, CALIFORNIA 92311

IN REPLY REFER TO:
5200
B870
AUG 13 2003

From: Director, Fleet Support Division, Marine Corps Logistics Base, Barstow
To: Director, Storage and Distribution Department
Via: Director, Supply Chain Management Center

Subj: INTERNAL MANAGEMENT CONTROL PROGRAM

Ref: (a) MCO 5200.24C
(b) COMMARCORLOGBASES ltr 5200 Code 410 (X5719) of 15 July 2003

Encl: (1) Current Year Accomplishments/Material Weaknesses Identified and Corrected
(2) Current Year Material Weaknesses and Corrective Actions – Actual and Prospective
(3) Prior Year Material Weaknesses – Status of Corrective Actions
(4) List of Assessable Units

1. This Division has evaluated the system of internal administrative and accounting controls in effect during the period ending 31 August 2003. The evaluation was performed per Marine Corps policy contained in reference (a). Internal Management Control program accomplishments and the status of identified material weaknesses are detailed in enclosures (1), thru (3). A list of assessable units is included as enclosure (4).

2. I have reasonable assurance that management controls are in place and operating effectively.

3. Information to support the certification statement was derived from audits, inspections, and other management information such as knowledge gained from daily operations of programs and functions. There were 135 Alternative Internal Management Control Reviews performed during this reporting period. They encompass 89 Quality Audits and 46 Follow-Up Audits.

4. Our point of contact is Mr. Carlos Arriola. You can reach Mr. Arriola at DSN 282-7709.


A. HENDERSON

Example

**CURRENT YEAR ACCOMPLISHMENTS/MATERIAL
WEAKNESSES IDENTIFIED AND CORRECTED
FLEET SUPPORT DIVISION BARSTOW**

No current year material weaknesses were identified and corrected during this reporting period.

Enclosure (1)

Example

**CURRENT YEAR MATERIAL WEAKNESSES AND
CORRECTIVE ACTIONS – ACTUAL AND PROSPECTIVE
FLEET SUPPORT CENTER BARSTOW**

No current year material weaknesses with actual and prospective corrective actions were identified during this reporting period.

Enclosure (2)

Example

**PRIOR YEAR MATERIAL WEAKNESSES -
STATUS OF CORRECTIVE ACTIONS
FLEET SUPPORT CENTER-BARSTOW
25 August 2003**

Title and Description of Material Weakness: Set Assembly stocks are not inventoried or accounted for properly. The Storage Section and Inventory Team conducted a physical count during the later half of FY 98. In January 1999, the Branch Head was informed that the transactions from the count had never taken place, and that the Set Assembly Program was invalid. The Set Assembly stocks have never been inventoried or accounted for properly in their history. The Set Assembly Program does not have a physical inventory module, and does not manage inventory in acceptable industry methods. **In January 2001, FSDB underwent another major reorganization and decided to physically move Set Assembly to a new warehouse.**

Functional Category: 7 – PEI Management Branch.

Pace of Corrective Action:

Year Identified: FY99

Original Targeted Correction Date: 31 Mar 00

Targeted Correction Date in Last Year's Report: Sep 02

Current Target Date: 1 June 03 – Action Complete.

Reason for Change in Date: ISO Registration was formally issued on 1 June 03. On this date the Registrar assessed FSDB's quality system as being in compliance with ISO 9001:2000 standards. Standard procedures and work instructions are in place to ensure the inventory and account for all inventory including Set Assembly inventory.

Component/Appropriation/Acct No: AA 1781106.27A0 000 62204 0 67004 2D
000000 CH881200204 Operations and Maintenance, Marine Corps

Validation Process: Results of the corrective action will be demonstrated by (1) spot inventories conducted by the Storage Branch, (2) analysis of stock denial reports, and (3) gain and loss reports from future inventory segments.

(Enclosure 3)

Results Indicators: In the plan to rewarehouse all inventories to a narrow aisle configuration, a wall-to-wall inventory will be conducted prior to moving material, and during the time it is stowed in the new location. Afterwards, ISO Standards will be in place and Audit Teams will conduct regular audits.

Source Identifying Weakness: (Inventory Assessment)—Internal Audit conducted by the Warehouse Section, Storage Branch.

Major Milestones in Corrective Actions:

Milestone: 1. Break Down Invalid Projects into Like NSN Storage and Enter as Op Stock. Complete 03 Mar 2002

Milestone: 2. Reduce Inventory—Eliminate Excess Purchasing, dispose of all excess material that is not forecasted for shipment within next 12 months. PEI Management Branch is reducing the set assembly inventory through the material returns program. New forecasting procedures were developed to limit excesses. Complete 03 Mar 2002

Milestone: 3. Conduct wall-to-wall inventory. Fleet Support Division Barstow (FSDB): FSDB divided their wall-to-wall inventory process into two phases. Phase one was an inventory of set assembly assets stored inside. This inventory has been completed and records have been adjusted. Phase two will be an inventory of set assembly's outside storage. Expected completion date for Phase 2 is July 2002. Records will be adjusted by 1 September 2002. Complete 01 July 2002.

Milestone: 4. The Fleet Support Division Barstow became ISO 9001:2000 Registered on 1 June 2003. Based on this, the Division has demonstrated that processes are in place to inventory and account for all inventory including Set Assembly inventory. All corrective actions completed as of 1 June 2003.

Point of Contact: Carlos Arriola, Management Analyst, DSN: 282-7709 or 1stLt Jason M. Kut, Deputy Director, DSN: 282-7611

Example

FLEET SUPPORT DIVISION BARSTOW
LIST OF ASSESSABLE UNITS

FUNCTIONAL CATEGORY	FUNCTIONAL NUMBER	ASSESSABLE UNIT	RESPONSIBLE ACTIVITY
Procurement	3	Impac Card Purchases	Management Services Off
Maintenance & Repair	6	Care-in-store	Quality Assurance Section
	6	Maintenance & Repairs-P&M	Maintenance Branch
	6	Maintenance & Repairs-Organic	Maintenance Branch
	6	Maintenance Tool Room	Maintenance Branch
Supply Operations	7	Cannibalization Program	PEI Branch
	7	Discrepancy Reporting Database	Quality Assurance Section
	7	Equipment Inspection/Condition Coding	Quality Assurance Section
	7	Inventory Management-Wholesale (S/A)	Set Assembly
	7	Inventory Management-Wholesale (PEI)	PEI Branch
	7	Inventory Management-Retail (Consumables)	SMB
	7	Mod Control	PEI Branch
	7	Project Contro	PEI Branch
	7	Receiving Operations	SMB
	7	Security Warehouse Management	Set Assembly Section
	7	Control of Hazardous Materials	SMB
	7	Movement of Assets	Maintenance Branch
Comptroller	12	Funds Certification	Deputy Director
	12	Navy Working Capital Fund	Deputy Director
Other	15	Controlled Access Areas	Safety Office
	15	Key Control	Safety Office
	15	Physical Security	Safety Office

Enclosure (4)